



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

**Gloria Molina**  
First District

**Yvonne Brathwaite Burke**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

March 4, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**STANDARD AGREEMENT NO. LAC03037 WITH THE STATE OF CALIFORNIA  
DEPARTMENT OF CORRECTIONS (5<sup>th</sup> District) (3 votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Director of Health Services, or his designee, to execute Standard Agreement No. LAC03037, (Exhibit I), with the State of California Department of Corrections, to reimburse the Department of Health Services' High Desert Health System for outpatient services provided to inmates referred from the California State Prison, effective April 1, 2004 through September 30, 2006, in an amount not to exceed \$1,000,000.
2. Delegate authority to the Director of Health Services, or his designee, to extend the term of Standard Agreement No. LAC03037 through September 30, 2008, and to accept and sign amendments that increase and decrease the allocation amount by a maximum of 25%, subject to review and approval by County Counsel.
3. Approve and instruct the Chairman to sign the attached Resolution (Attachment B) to allow the County to enter into a contract with the State of California, Department of Corrections.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:**

The Department is requesting approval to execute Standard Agreement No. LAC03037 that will allow High Desert Health System (HDHS) to continue providing outpatient medical services to inmates referred by the California State Prison at the fee-for-service rates identified in the agreement. The current agreement, LAC02009, expires March 31, 2004.

FISCAL IMPACT/FINANCING:

All services will be provided utilizing existing HDHS resources and personnel on a fee-for service basis. This agreement represents revenue to the County and there are no net County costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On June 18, 2002, the Board approved Agreement No. LAC02009 with the State of California, Department of Corrections (CDC) for the period of July 1, 2003 through March 31, 2004. The agreement authorized HDHS to provide medical care services at certain confidential fee-for-service rates.

Standard Agreement No. LAC03037 will allow HDHS to continue providing outpatient medical services to inmates effective April 1, 2004 and through September 30, 2006. The delegation of authority to the Director will expedite processing of an agreement or amendment with CDC that will allow for an extension of the term through September 30, 2008.

In accordance with Government Code, Section 6254.14, all information related to this agreement or subsequent amendment(s) is exempt from public disclosure for a period of one year after the execution date of this agreement or subsequent amendment(s). Information as to rates of payment related to this agreement or subsequent amendment(s) is exempt from public disclosure for a period of four years after the execution date of this agreement or subsequent amendment(s).

Contracting with the CDC is a component of the County's development and implementation of an alternate business plan, which focuses on contracting for selected services to reduce operating costs and maintain County-provided services in the Antelope Valley area.

This agreement does not impact DHS' System Redesign as it will generate revenue to the County.

County Counsel has reviewed and approved Standard Agreement LAC03037 (Exhibit I) as to form.

Attachment A provides additional information.

Attachment B is the Board Resolution reflecting approval and authorization for HDHS to provide services under Standard Agreement LAC03037 with the CDC.

CONTRACT PROCESS:

As the recommended agreement provides revenue to the Department, it is not appropriate to advertise on the Los Angeles County Online website.

IMPACT ON CURRENT SERVICES OR (PROJECTS):

Approval of the recommended actions will enable HDHS to continue accepting referrals from the California State Prison for inmates requiring medical care services on an outpatient basis, and to receive appropriate reimbursement for the care provided.

The Honorable Board of Supervisors  
March 4, 2004  
Page 3

When approved, this Department requires three copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas D. Garthwaite".

Thomas D. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:lb

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

BLETC3205.LB

**SUMMARY OF STANDARD AGREEMENT**

1. TYPE OF SERVICE:

High Desert Health System (HDHS) will provide outpatient health care services for inmates referred from the California State Prison.

2. AGENCY ADDRESS AND CONTRACT PERSON:

Department of Corrections  
Office of Contract Services, Institution Contracts Section  
P.O. Box 942883  
Sacramento, CA 942883-0001  
Agreement No. LAC03037  
Contact Person: Terri Gibson, Room 410 -South  
Telephone: (916) 323-0555

3. TERM:

April 1, 2004 through September 30, 2006. The delegated authority to the Director of Health Services will allow the Director to execute a new agreement or amendment extending the term through September 30, 2008.

4. FINANCIAL INFORMATION:

All services will be provided utilizing existing HDHS resources and personnel on a fee-for-service basis. This agreement represents revenue to the County and there is no net County costs.

In accordance with Government Code Section 6254.14, all information related to this agreement or subsequent amendment(s) is exempt from public disclosure for a period of one year following the date of execution. Moreover, rate information related to this agreement or subsequent amendment(s) is exempt from public disclosure for a period of four (4) years after the execution date of this agreement or subsequent amendments.

5. GEOGRAPHIC AREA TO BE SERVED:

Fifth Supervisorial District

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Beryl R. Brooks, Acting Chief Executive Officer

7. APPROVALS:

High Desert Health System: Beryl R. Brooks, Acting Chief Executive Officer

Contract and Grants Division: Diana Sayler, Interim Chief

County Counsel (as to form): Christina A. Salseda, Deputy County Counsel

**RESOLUTION**

The Board of Supervisors of the County of Los Angeles, at the meeting identified below, approved contracting between the County of Los Angeles and the State of California, Department of Corrections, for the provision of medical care services to State of California prison inmates at High Desert Health System.

This Resolution authorizes the Director of Health Services, or his designee, to sign Agreement LAC03037 and subsequent amendments to Agreement LAC03037 between the County of Los Angeles and the State of California, Department of Corrections.

Agreement LAC03037, effective April 1, 2004 through September 30, 2006, provides for outpatient health care services to be provided to inmates referred to High Desert Health System from the California State Prison, Los Angeles County.

In Accordance the Government Code Section 6254.14 all information related to this agreement or subsequent amendment (s) is exempt from public disclosure for a period of one year after the execution date. Moreover, rate information related to this Agreement or subsequent agreement or subsequent amendment(s) is exempt from public disclosure for a period of four (4) years after the execution date of Agreement or subsequent amendments.

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The foregoing resolution was on the \_\_\_\_\_ day of \_\_\_\_\_, 2004,  
adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing  
body of all other special assessment and taxing districts, agencies and authorities for which said  
Board so acts.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chairman, Board of Supervisors of  
of Los Angeles County

Attest:

VIOLENT VARONA-LUKENS, Executive Officer-  
Clerk of the Board of Supervisors of  
the County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY COUNTY COUNSEL

LLOYD W. PELLMAN

By Christine A. Salseda  
Deputy

**STANDARD AGREEMENT**

-APPROVED BY THE ATTORNEY GENERAL

STD. 2 (REV. 5-91) CDC ELECTRONIC (1/94)

EXHIBIT I

CONTRACT NUMBER	AM. NO.
LAC03037	0
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER	
95-6000927	

THIS AGREEMENT, made and entered into this 1st day of April, 20 04, in the State of California, by and between State of California, through its duly elected or appointed, qualified and acting

TITLE OF OFFICER ACTING FOR STATE	AGENCY
Chief, Institution Service Contracts Section	Department of Corrections

, hereafter called the State, and

CONTRACTOR'S NAME

COUNTY OF LOS ANGELES – DEPT. OF HEALTH SERVICES, HIGH DESERT HEALTH SYSTEM, hereafter called the Contractor.

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows: *(Set forth service to be rendered by Contractor, amount to be paid Contractor, time for performance or completion, and attach plans and specifications, if any.)*

This Contract is entered into by and between **County of Los Angeles – Dept. of Health Services, High Desert Health System**, hereafter known as Provider, and the State of California, Department of Corrections, hereafter known as CDC, for the specific provision of **Outpatient Medical Specialty Services**, hereafter referred to as medical specialty, and as herein specified, for the inmates referred for such medical services from **California State Prison, Los Angeles County (LAC)**, hereafter known as Institution. This contract is not exclusive and CDC reserves the right to contract with other Providers for the same service.

Upon the satisfactory completion of services, CDC agrees to pay Provider in accordance with the rate(s) as specified in Article VI. The total amount payable under this contract shall not exceed **One Million Dollars, (\$1,000,000.00)**.

This contract shall be effective on **April 1, 2004, at 12:01 a.m.** at Sacramento, California and shall expire on **September 30, 2006** unless terminated in accordance with the terms specified in Article VIII.

**CONFIDENTIAL**

CONTINUED ON 42 SHEETS, EACH BEARING NAME OF CONTRACTOR AND CONTRACT NUMBER.

The provisions on the reverse side hereof constitute a part of this agreement.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

STATE OF CALIFORNIA	CONTRACTOR
AGENCY Department of Corrections	CONTRACTOR (If other than an individual, state whether a corporation, partnership, etc.) COUNTY OF LOS ANGELES – DEPT. OF HEALTH SERVICES, HIGH DESERT HEALTH SYSTEM
BY (AUTHORIZED SIGNATURE)	BY (AUTHORIZED SIGNATURE)
PRINTED NAME OF PERSON SIGNING DEBRA L. SMITH	PRINTED NAME AND TITLE OF PERSON SIGNING Thomas Garthwaite, Director, County of Los Angeles, Department of Health Services.
TITLE Chief, Institution Service Contracts Section	ADDRESS 44900 N. 60 <sup>th</sup> Street, West, Lancaster, CA 93536 (661) 945-8493

Department of General Services  
Use Only

**STANDARD AGREEMENT**

STD. 2 (REV. 5-91) (REVERSE) CDC ELECTRONIC (1/94)

County of Los Angeles – Dept. of Health Services, -2-  
High Desert Health System

Contract No. LAC03037

1. The Contractor, and the agents and employees of Contractor, in the performance of the agreement, shall act in an independent capacity and not as officers or employees or agents of State of California.
2. The State may terminate this agreement and be relieved of the payment of any consideration to Contractor should Contractor fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. The cost to the State shall be deducted from any sum due the Contractor under this agreement, and the balance, if any, shall be paid the Contractor upon demand.
3. Without the written consent of the State, this agreement is not assignable by Contractor either in whole or in part.
4. Time is of the essence in this agreement.
5. No alteration or variation of the terms of this contract shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.
6. The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

**CONFIDENTIAL**

AMOUNT ENCUMBERED BY THIS DOCUMENT <b>\$150,000.00</b>	PROGRAM/CATEGORY (CODE AND TITLE) <b>99 Clearing Account</b>		FUND TITLE <b>General Fund</b>	
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT <b>\$0</b>	(OPTIONAL USE) <b>3200/20302</b>			
TOTAL AMOUNT ENCUMBERED TO DATE <b>\$150,000.00</b>	ITEM <b>5240-001-0001-5283</b>	CHAPTER <b>157</b>	STATUTE <b>2003</b>	FISCAL YEAR <b>2003/04</b>
OBJECT OF EXPENDITURE (CODE AND TITLE) <b>413.02 Health &amp; Med Contractual / Ext.</b>				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.	
SIGNATURE OF ACCOUNTING OFFICER <b>X</b>			DATE	



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## Article I

### DEFINITIONS

- A. Board of Control (BOC) means the State Board of Control whose function is to resolve all claims for money or damages filed against State agencies under Government Code Section 900 et seq., before a lawsuit against a State agency can be pursued.
- B. California Code of Regulations (CCR), Title 15, means the regulations that authorize the Director of the California Department of Corrections to contract for the provision of inmate health care.
- C. California Department of Corrections (CDC) means the California State Department of Corrections, authorized by Penal Code, Section 5054, and the CCR, Title 15, to maintain the custody and care of California's institutionalized public offenders.
- D. CDC Medical Standards of Care means the official CDC health care policy document used by the CDC Health Care Managers and Chief Medical Officers (HCM/CMO) to distinguish the parameters of the delivery of health care services and treatment to the State of California inmates.
- E. Chief Medical Officer (CMO) means the Chief Physician/Surgeon granted authority to prior authorize the delivery of health care services rendered to prison inmates or to designate this authority to other medical staff.
- F. Community Health Facility means any facility, place, or building which is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, and to which persons are admitted for a 24-hour stay or longer per Health and Safety Code Section 1250, Chapter 2, Article 1.
- G. Contract means this document which constitutes a binding agreement to provide medical specialty services to California's incarcerated public offenders.
- H. Correctional Treatment Center means a health facility with a specified number of beds within a State prison, county jail, or California Youth Authority facility designated to provide health care to that portion of the inmate population who do not require general acute care level of services, but who are in need of professionally supervised health care beyond that normally provided in the community on an outpatient basis (CCR, Title 22, Division 5, Chapter 12, Article 1, Section 79516).
- I. Day means calendar day, unless otherwise specified.
- J. Director means the Director of the CDC.
- K. Emergency Care Services means the immediate care or treatment necessary to prevent death, severe or permanent disability, or to alleviate severe pain, including medically necessary crisis intervention for inmates suffering from situational crisis or acute episodes of mental illness, in accordance with CCR, Title 15.
- L. Experimental or Investigational Treatment means any treatment, therapy, procedure, drug or drug usage, facility or facility usage, equipment or equipment usage, device or device usage, or supplies which are not recognized as being in

accord with generally accepted professional medical standards, or as being safe and effective for use in the treatment of an illness, injury, or condition at issue. Services which require approval by the federal government or any agency thereof, or by any state governmental agency, prior to use, and where such approval has not been granted at the time the services were rendered, shall be considered experimental or investigational. Services which themselves are not approved or recognized as being in accord with accepted professional medical standards, but nevertheless are authorized by law or a government agency for use in testing, trials, or other studies on human patients, shall be considered experimental or investigational.

- M. Fiscal Year means the time frame from July 1 through June 30 of each year.
- N. Health Care Manager (HCM) means the CDC Director's designee responsible for the day-to-day supervision of field health care operations, reporting directly to the Health Care Services Division's Health Care Regional Administrator for their respective institutions. Health Care Managers are part of the Institution's executive management team and participate in Institution executive staff meetings. Health Care Managers may also be CMOs. Health Care Managers are granted full authority to prior authorize the delivery of health care services rendered to prison inmates.
- O. Health Care Review Committee means the appointed CDC officials authorized to review and approve health care services which are excluded from the CDC Medical Standards of Care policy.
- P. Hospital means an institution which is licensed under all applicable State and local laws and regulations to provide diagnostic and therapeutic services for the medical diagnosis, treatment and care of the injured, disabled or sick persons in need of acute inpatient medical and psychiatric or psychological care.
- Q. Inmate/Patient means the CDC incarcerated public offender receiving health care services.
- R. Inmate/Patient Data means any piece of information administrative or medical specific to an incarcerated public offender receiving medical or surgical treatment in a hospital or hospital outpatient surgery center.
- S. Locum Tenens means a free benefit to professional liability insurance policies which provides policyholders forty-five (45) free days, (more or less depending on carrier) for substitute physicians to perform the duties of the policyholder while he/she is on vacation or temporarily away from the office. A locum tenens shares the limits of liability with the named insured (Provider) and is identified on the evidence of valid coverage.
- T. Long-Term Care means nonacute/nonsubacute inpatient medical care which lasts for more than the month of admission and is expected to last for at least one full calendar month after the month of admission.
- U. May means permissive.
- V. Medically Necessary means health care services that are determined by the attending physician to be reasonable and necessary to protect life, prevent significant illness or disability, or alleviate severe pain, and are supported by health

- outcome data as being effective medical care (CCR, Title 15, Division 3, Chapter 1, Subchapter 4, Article 8, Section 3350(b), Provision of Medical Care and Definitions).
- W. Nonessential Services means a nonemergency/pre-scheduled admission for medical services when the inmate's condition permits adequate time to schedule the necessary diagnostic workup and/or initiation of treatment, in accordance with CCR, Title 15.
- X. Patient Day means a day in which an inmate/patient occupies an inpatient bed as of the midnight census. If both admission and discharge occur on the same day, the day is counted as one patient day.
- Y. Penal Code, Section 5054 means the section of law which grants the Director of the CDC the authority and responsibility for the custody and care of California's institutionalized public offenders.
- Z. Physician means a person licensed to practice medicine or osteopathy in the State of California.
- aa. Prescription Drugs means all drugs which, under State or federal law, require the written prescription of a doctor, dentist, podiatrist, or osteopath or any medicinal substance which is required to bear the legend "Caution: Federal Laws prohibit dispensing without a prescription" under the federal Food, Drug and Cosmetic Act.
- bb. Prescription Order means the request by a physician for each separate drug or medication and each authorized refill of such request.
- cc. Prior Authorization means the required advance authorization granted by the Health Care Manager or his/her designated representative.
- dd. Provider means physician, and/or physician's substitute under locum tenens, providing the medical specialty services under this contract.
- ee. Shall means mandatory.
- ff. Should means suggested or recommended.
- gg. Skilled Nursing Care means skilled supervision and management of a complicated or extensive plan of care for an inmate/patient initiated and monitored by a physician in which there is a significantly high probability that complications would arise without the skilled supervision or implementation of the treatment program by a licensed nurse or therapist.
- hh. State means the State of California.
- ii. State Administrative Manual (SAM) means the manual which provides the policies and procedures and the uniform guidance for governing the fiscal and business management affairs of the State of California.
- jj. Subcontractor means any person or entity that has entered into a contract with said Provider, either expressed or implied, for the specific purpose of performing any service under this contract.
- kk. Total Patient Days means the total inpatient days from the day of admission to, but not including, the day of discharge.
- ll. Transfer Order means the written document, issued and signed by the inmate/patient's attending physician, which notes the medications, treatment, and diet orders for the CDC institution and provides instructions to the inmate/patient in order to maintain continuity of care. A transfer order is prepared when an inmate/patient is discharged from the hospital and is returning to a CDC institution.

- mm. Transfer Summary means the written document which proceeds or accompanies an inmate/patient upon an inmate/patient's discharge from the hospital to a skilled nursing or intermediate care facility, Correctional Treatment Center, or to the distinct skilled nursing or intermediate care service unit of the hospital where continuing care will be provided. The transfer summary, signed by the attending physician, includes the following information relative to the inmate/patient's 1) diagnosis; 2) hospital course; 3) medications; 4) treatments; 5) dietary requirements; 6) rehabilitation potential; 7) known allergies; and 8) treatment plan.
- nn. Urgent Care means a non-emergency admission or occurrence where timely evaluation and treatment is required for medical/psychiatric attention and/or hospitalization, but there is no immediate threat to loss of life or limb.
- oo. Utilization Management (UM) means a strategy designed to ensure that health care expenditures are restricted to those that are needed and appropriate by reviewing inmate/patient's medical records through the application of defined criteria and/or expert opinion. It assesses the efficiency of the health care process and the appropriateness of decision-making related to the site of care, its frequency and its duration, through prospective, concurrent, and retrospective utilization reviews.

## Article II

### Preamble

#### A. Authority

Provider hereby recognizes that this contract is entered into under the authority of the Penal Code, Section 5054 which authorizes CDC the custody and care of California's institutionalized public offenders and CCR, Title 15, which authorizes the Director of CDC to contract for the Provision of inmate health care services.

#### B. Appropriation of Funds

Provider recognizes that CDC's obligation under this contract is contingent upon and subject to the availability of funds appropriated for this contract.

It is mutually agreed that if the California State Budget Act for the current fiscal year and/or any subsequent fiscal years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor, or to furnish any other considerations under this Agreement, and Contractor shall not be obligated to perform any provisions of this Agreement.

If funding for the purposes of this program is reduced or deleted for any fiscal year by the California State Budget Act, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.

#### C. Use of Contracted Medical Specialty Services

Provider shall render specialty health care services only when, and if, CDC correctional institution(s) are unable to provide the same services and only when requested and prior authorized, in writing, by the institution's Health Care Manager or his/her designated representative.

#### D. Compliance with CDC Security and Medical Policies

By entering into this contract, Provider agrees to acknowledge and adhere to the Director's Digest of Laws Related to Association with Prison Inmates, and other by-laws, rules, regulations, policies and procedures that apply to CDC's institutions, maintain all CDC security measures and provide a safe work environment at all times. Provider also agrees to acknowledge and adhere to the CDC medical policies and procedures as directed by Health Care Managers or his/her designated representatives, perform contracted services within the scope of his/her license, and comply with universal infection control precautions. CDC shall furnish Provider with a copy of the Director's Digest of Laws Related to Association with Prison Inmates upon request, or Provider may refer to Article III, Section G, of this contract for a listing of those rules.



E. Relationship of Parties

The relationship between Provider and CDC is an independent contractor relationship.

Provider agrees that all services provided under this contract shall be performed in an independent contractor capacity.

No CDC employee is the agent or representative of Provider and no CDC employee is liable for any acts or omissions of Provider, its agents or employees, or any subcontractor, or any other person or organization with which Provider has made or hereafter makes arrangements for the performance of services under this contract.

F. State Insurance

The State is self-insured and will represent its officers, employees and agents for liabilities developed when carrying out official activities, including State official operations on non-state owned property.

G. Representation by the Attorney General

Pursuant to California Government Code, Section 12511.5, the Attorney General (AG) may defend Provider, its officers, employees, agents and subcontractors against any claim asserted by a CDC inmate/patient that their civil rights were violated during the provision of health care services and is conditioned on Provider maintaining professional liability insurance.

H. Indemnification

Provider shall indemnify, defend, and save harmless the State, CDC, and CDC's officers, employees and agents, against any and all losses, liabilities, settlements, claims, demands, damages, or deficiencies (including interest) and expenses of any kind (including, but not limited to, attorneys' fees) arising out of or due to a breach of any representation or warranty, covenant, or agreement of Provider contained in this contract, and arising out of Provider's acts or omissions in regard to provision of services under the terms of this contract. The foregoing indemnity is in addition to any other save harmless or indemnification set forth in this contract.

I. Entire Contract

This contract contains the entire agreement between the parties with respect to its subject matter, and supersedes all prior contracts, written or oral, with respect thereto.

Provider agrees that this contract is subject to all terms and conditions set forth herein.

It is understood and agreed upon by both parties that nothing contained in this contract shall be construed to impair CDC's responsibilities to the State and to the public as authorized by the Penal Code and CCR, Title 15.

J. Amendments

No agent of either party is authorized to change the form or contents of this contract in any manner or degree other than by a duly executed endorsement issued to form a part hereof. Any modification to this contract must be endorsed in writing, signed by both parties, and in accord with the laws of the State of California.

Should either party, during the life of this contract, desire a change in this contract, including an extension of time, the desired change(s) and the reason(s) for the desired change(s) shall be stated in writing to the other party. The other party shall acknowledge the receipt of the proposed change(s) within ten (10) working days and shall have forty (40) working days during which to review, consider, consult, negotiate, accept, or reject the proposed change(s). Acceptance or rejection may be given orally, but shall be confirmed in writing within five (5) working days thereafter. If change has been accepted by the other party, then this contract shall be amended in writing accordingly.

This contract and any subsequent amendment thereof are of no effect unless and until approved by the Department of General Services or, under their authority, by CDC.

### Article III

#### General Provisions

##### A. Compliance

The provisions of this contract which, on or after its effective date, are in conflict with applicable State or federal laws and/or regulations, are hereby amended to conform to the minimum requirements of such laws or regulations. Such amendment shall be effective on the later of either the effective date of this contract or the effective date of the statutes or regulations.

Provider agrees that any new or revised State or federal law and/or regulation shall be binding on the parties hereto, even though the amendment has not been reduced to writing and formally agreed upon by the parties involved. Provider may determine that it is unable or unwilling to comply with the provisions of such an amendment, and give written notice of cancellation of this contract in accordance with Article VIII, Part A., Termination of Contract without Cause. Neither party shall be bound by the terms and conditions of this contract, commencing from the time of cancellation, with the exception of those terms and obligations as agreed upon in Article VIII, Part E., Alternative Arrangements Upon Termination.

##### B. Conflict of Interest

The Contractor and their employees shall abide by the provisions of Government Code (GC) Sections 1090, 81000 et seq., 82000 et seq., 87100 et seq., and 87300 et seq., Public Contract Code (PCC) Sections 10335 et seq. and 10410 et seq., California Code of Regulations (CCR), Title 2, Section 18700 et seq. and Title 15, Section 3409, and the Department Operations Manual (DOM) Section 31100 et seq. regarding conflict of interest.

##### Contractors and Their Employees:

Consultant Contractors shall file a Statement of Economic Interests, (FPPC Form 700) prior to commencing services under the contract, annually during the life of the contract, and within 30 days after the expiration of the contract. Other service contractors and/or certain of their employees may be required to file a Form 700 if so requested by the CDC or whenever it appears that a conflict of interest may be at issue. Generally, service contractors (other than consultant contractors required to file as above) and their employees shall be required to file a Form 700 if one of the following exists:

- (1) The contract service has been identified by the CDC as one where there is a greater likelihood that a conflict of interest may occur;
- (2) The contractor and/or contractor's employee(s), pursuant to the contract, makes or influences a governmental decision; or

- (3) The contractor and/or contractor's employee(s) serves in a staff capacity with the CDC and in that capacity participates in making a governmental decision or performs the same or substantially all the same duties for the CDC that would otherwise be performed by an individual holding a position specified in the CDC's Conflict of Interest Code.

Current State Employees:

- (1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- (2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.
- (3) In addition to the above, CDC officials and employees shall also avoid actions resulting in or creating an appearance of:
  - (a) Using an official position for private gain;
  - (b) Giving preferential treatment to any particular person;
  - (c) Losing independence or impartiality;
  - (d) Making a decision outside of official channels; and
  - (e) Affecting adversely the confidence of the public or local officials in the integrity of the program.
- (4) Officers and employees of the Department must not solicit, accept or receive directly or indirectly, any fee, commission, gratuity or gift from any person or business organization doing or seeking to do business with the state.

Former State Employees:

- (1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- (2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

In addition to the above, the Contractor shall avoid any conflict of interest whatsoever with respect to any financial dealings, employment services, or opportunities offered to inmates or parolees. The Contractor shall not itself employ or offer to employ inmates or parolees either directly, or indirectly through an affiliated company, person or business unless specifically authorized in writing by the CDC. In addition, the Contractor shall not (either directly, or indirectly through an affiliated company, person or business) engage in financial dealings with inmates or parolees, except to the extent that such financial dealings create no actual or potential conflict of interest, are available on the same terms to the general public, and have been approved in advance in writing by the CDC. For the purposes of this paragraph, "affiliated

company, person or business" means any company, business, corporation, non-profit corporation, partnership, limited partnership, sole proprietorship, or other person or business entity of any kind which has any ownership or control interest whatsoever in the Contractor, or which is wholly or partially owned (more than 5% ownership) or controlled (any percentage) by the Contractor or by the Contractor's owners, officers, principals, directors and/or shareholders, either directly or indirectly. "Affiliated companies, persons or businesses" include, but are not limited to, subsidiary-, parent-, or sister- companies or corporations, and any company, corporation, non-profit corporation, partnership, limited partnership, sole proprietorship, or other person or business entity of any kind that is wholly- or partially- owned or controlled, either directly or indirectly, by the Contractor or by the Contractor's owners, officers, principals, directors and/or shareholders.

The contractor shall have a continuing duty to disclose to the State in writing all interests and activities that create an actual or potential conflict of interest in performance of the contract.

The Contractor shall have a continuing duty to keep the State timely and fully apprised in writing of any material changes in the Contractor's business structure and/or status. This includes any changes in business form, such as a change from sole proprietorship or partnership into a corporation or vice-versa; any changes in company ownership; any dissolution of the business; any change of the name of the business; any filing in bankruptcy; any revocation of corporate status by the Secretary of State; and any other material changes in the Contractor's business status or structure that could affect the performance of the Contractor's duties under the contract.

If the Contractor violates any provision of the above paragraphs, such action by the Contractor shall render this Agreement void.

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem.

C. Confidentiality of Information

CDC and Provider agree that all inmate/patient medical record information is identified as confidential and shall be held in trust and confidence as required by law and shall be used only for the purposes under this contract.

Provider by acceptance of this contract is subject to all of the requirements of California Government Code Section 11019.9 and California Civil Code Sections 1798, et seq., regarding the collections, maintenance, and disclosure of personal and confidential information about individuals.

D. Fingerprinting

Provider acknowledges and agrees that Provider and any employees of the Provider may be subject to fingerprinting and clearance by the State through the Department of Justice, Bureau of Criminal Identification and Information.

E. Identification Cards

Identification cards may be issued to the Provider and any employees of the Provider by the CDC institution. In addition, Provider must recover and return any State-issued identification card furnished to Provider's employee(s) upon their departure or termination.

F. Liability for Loss and Damages

Provider agrees to repair or replace, at no cost to the State, any damages to CDC's Institution property, including equipment, furniture, materials or other State property to the satisfaction of the State. CDC reserves the right to repair or replace any such damages and deduct the cost thereof from any sum due Provider under this contract.

G. Digest of Laws Related to Association with Prison Inmates

Individuals who are not employees of the California Department of Corrections (CDC), but who are working in and around inmates who are incarcerated within California's institutions/facilities or camps, are to be apprised of the laws, rules and regulations governing conduct in associating with prison inmates. The following is a summation of pertinent information when non-departmental employees come in contact with prison inmates. By signing this contract, the Contractor agrees that if the provisions of the contract require the Contractor to enter an institution/facility or camp, the Contractor and any employee(s) and/or subcontractor(s) shall be made aware of and shall abide by the following laws, rules and regulations governing conduct in associating with prison inmates:

1. Persons who are not employed by CDC, but are engaged in work at any institution/facility or camp must observe and abide by all laws, rules and regulations governing the conduct of their behavior in associating with prison inmates. Failure to comply with these guidelines may lead to expulsion from CDC institutions/facilities or camps.

SOURCE: California Penal Code (PC) Sections 5054 and 5058; California Code of Regulations (CCR), Title 15, Sections 3285 and 3415

2. CDC does not recognize hostages for bargaining purposes. CDC has a "NO HOSTAGE" policy and all prison inmates, visitors, and employees shall be made aware of this.

SOURCE: PC Sections 5054 and 5058; CCR, Title 15, Sections 3304

3. All persons entering onto institution/facility or camp grounds consent to a search of their person, property or vehicle at any time. Refusal by individuals to submit to a search of their person, property, or vehicle may be cause for denial of access to the premises.

SOURCE: PC Sections 2601, 5054 and 5058; CCR, Title 15, Sections 3173, 3177 and 3288

4. Persons normally permitted to enter an institution/facility or camp may be barred, for cause, by the CDC Director, Warden, and/or Regional Parole Administrator.

SOURCE: PC Sections 5054 and 5058; CCR, Title 15, Section 3176 (a)

5. It is illegal for an individual who has been previously convicted of a felony offense to enter into CDC institutions/facilities or camps without the prior approval of the Warden. It is also illegal for an individual to enter onto these premises for unauthorized purposes or to refuse to leave said premises when requested to do so. Failure to comply with this provision could lead to prosecution.

SOURCE: PC Sections 602, 4570.5 and 4571; CCR, Title 15, Sections 3173 and 3289

6. Encouraging and/or assisting prison inmates to escape is a crime. It is illegal to bring firearms, deadly weapons, explosives, tear gas, drugs or drug paraphernalia on CDC institutions/facilities or camp premises. It is illegal to give prison inmates firearms, explosives, alcoholic beverages, narcotics, or any drug or drug paraphernalia, including cocaine or marijuana.

SOURCE: PC Sections 2772, 2790, 4533, 4535, 4550, 4573, 4573.5, 4573.6 and 4574

7. It is illegal to give or take letters from inmates without the authorization of the Warden. It is also illegal to give or receive any type of gift and/or gratuities from prison inmates.

SOURCE: PC Section 2540, 2541 and 4570; CCR, Title 15, Sections 3010, 3399, 3401, 3424 and 3425

8. In an emergency situation the visiting program and other program activities may be suspended.

SOURCE: PC Section 2601; CCR, Title 15, Section 3383

9. For security reasons, visitors must not wear clothing that in any way resembles state issued prison inmate clothing (blue denim shirts, blue denim pants).

SOURCE: CCR, Title 15, Section 3171 (b) (3)

10. Interviews with SPECIFIC INMATES are not permitted. Conspiring with an inmate to circumvent policy and/or regulations constitutes a rule violation that may result in appropriate legal action.

SOURCE: CCR, Title 15, Sections 3261.5, 3315 (3) (W), and 3177.

H. Corporate Status Verification

Provider, if a corporation, certifies under penalty of perjury that the corporation is currently in good standing with the Office of the Secretary of State and is qualified to do business in the State of California.

I. Required Notices

Any notice required hereunder shall be deemed to be sufficient if mailed to CDC at the address below. If the mail is used to give any notice required in this contract, notice shall be deemed as given on the day after it is deposited in the United States mail with First Class postage prepaid and addressed to CDC. Only actual written notice will suffice for the purpose of meeting any notice requirement in this contract.

**Provider's Address**

County of Los Angeles – Dept. of Health Services  
High Desert Health System  
44900 N. 60<sup>th</sup> Street West  
Lancaster, CA 93536

**California Department of Corrections**

California State Prison, Los Angeles (LAC)  
44750 60<sup>th</sup> Street, West  
Lancaster, CA. 93536-7620

In order to avoid unreasonable delay in the provision of the services delivered pursuant to this contract, Provider and CDC shall each designate a specific representative(s) for the purpose of communication between the parties. Such representative(s) may be changed upon written notice to the other party.

J. Health Records Management

1. Health records shall be kept in accordance with CCR, Title 22, Section 70751, on all inmate/patients admitted for treatment and inmates receiving emergency services, outpatient services and/or outpatient surgeries. All required inmate/patient health records, either originals or accurate reproduction of the contents of such originals, shall be maintained by Provider or his/her authorized



medical staff, in such form as to be legible and readily available upon request by authorized representatives of CDC and any other person authorized by law to make such a request.

2. Provider shall safeguard the information in all health records of CDC inmates against loss, defacement, tampering or use by unauthorized persons.
3. Inmate/patient health records including x-ray films or reproductions thereof shall be preserved safely for a minimum of seven (7) years following discharge of the inmate/patient in accordance with CCR, Title 22, Section 70751.
4. Provider shall provide copies of inmate/patient health records or information within health records, as requested by CDC, at no additional charge.

K. Right to Receive and Release Information

For the purpose of enforcing or interpreting this contract, or resolving any dispute regarding the provisions under this contract whether administrative or medical, both parties agree to share all relevant information, including inmate/patient data subject to applicable law.

L. Assignment

Provider shall not assign any of its rights or obligations under this contract, except upon prior written notice to and approval by CDC.

M. Administration of Contract

Provider may adopt reasonable policies, procedures, rules and interpretations to promote orderly and efficient administration of this contract.

N. Corrective Actions

Upon Provider's knowledge that any provision of this contract be untrue or incorrect, Provider will immediately institute any corrective actions necessary to cure the defect.

O. Waivers and Amendments

This contract may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions hereof may be waived only by a written instrument signed by CDC and Provider or in the case of a waiver, the party waiving compliance.

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any waiver on the part of any party of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

P. Cumulative Remedies

The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity. The rights

and remedies of any party arising out of or otherwise in respect to any inaccuracy or breach of any representation, warranty or covenant contained in this contract shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, or covenant or contract contained in this contract as to which there is no inaccuracy or breach.

Q. Legal Proceedings

Except as specifically disclosed in writing to CDC by Provider prior to the date hereof, and approved by CDC in writing, there are no suits, investigations, or other proceedings pending or threatened against Provider which would have a material effect on Provider or joint ventures of Provider or any Guarantor which may materially affect the delivery of health care. To the best of its knowledge, Provider is not in violation of any State or federal laws.

R. Quality and Financial Audits

CDC may make periodic audits at its expense regarding the quality of medical care rendered to inmates/patients as well as verify compliance with the terms and conditions pursuant to this contract and compliance with State laws and regulations, including adherence to CDC policies and guidelines. CDC may also audit and examine records and accounts which pertain, directly or indirectly, to Provider. Provider shall cooperate with such auditors; however, such audit shall not interfere with the administration of Provider nor with the delivery of health care services.

Subject to applicable law, audit review may be undertaken directly by CDC or by third parties engaged by CDC, including accountants, consultants and physicians. Provider shall cooperate fully with CDC or any such third party in connection with such audits. All adjustments, payments, and reimbursements determined by CDC or its representatives to be necessary by such audit review shall be effected promptly by Provider upon issuance of a final audit report, except for portions of that report which are challenged or appealed by Provider. In the case of challenge or appeal, Provider shall effect the adjustment, payment or reimbursement immediately upon a settlement or pursue remedy through the provisions as set forth in Article IX, Part C, Binding Arbitration.

S. Audit and Examination

Provider shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under this contract in accordance with Government Code, Section 8546.7. The examination and audit shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the contract.

T. Unusual Circumstance

1. Major Disaster or Epidemic.

In the event of any major disaster or epidemic, as declared by the Governor of the State and affecting Provider's service area, or epidemic, as declared by the State

Department of Health Services, or other appropriate entity, providers shall render or attempt to arrange for the provision of services insofar as practical, according to their best judgment, within the limitations of such facilities and personnel as are then available, but neither Provider nor Provider's employees have any liability or obligation for delay or failure to provide any such services due to lack of available facilities or personnel if such lack is the result of such disaster or epidemic.

2. Circumstances Beyond Provider's Control

If due to circumstances not reasonably within the control of Provider, such as complete or partial destruction of facilities, war, riot, civil insurrection, or similar causes, the rendition of service provided hereunder is delayed or rendered impractical, then Provider has no liability or obligation under this contract for such delay or such failure to provide services.

U. Severability

The illegality or unenforceability of any provision of this contract shall not in any way affect or impair the legality or enforceability of the remaining provisions of this contract.

V. Headings

Paragraph headings are for reference only and shall not affect the interpretation or meaning of any provision of this contract.

W. Incorporation

All attachments or exhibits to this contract are incorporated, as if fully set forth herein.

X. Clerical Error

No clerical error on the part of CDC or Provider shall operate to defeat or alter any term of this contract.

Y. Recycle Content

Should materials, goods, supplies offered, or products be used in the performance of this contract, the contractor by signing this contract hereby certifies that the materials, goods, supplies offered, or products meets or exceeds the minimum percentage of recycled material as defined in Section 12205 of the Public Contract Code.

Z. Computer Software

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

aa. Child Support Compliance Act

For any contract in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code Section 7110, that:

- (a) The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to disclosure of information

and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and

- (b) The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Employee Registry maintained by the California Employment Development Department.

bb. Hiring Considerations

If the contract amount is in excess of \$200,000, the Contractor shall be required to give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of aid under Welfare and Institutions Code Section 11200.

cc. Union Organizing

Contractor by signing this agreement hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this agreement.

- 1) Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.
- 2) No state funds received under this agreement will be used to assist, promote or deter union organizing.
- 3) Contractor will not, for any business conducted under this agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.
- 4) If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.

dd. Union Activities

Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote or deter union organizing.

ee. Air or Water Pollution Violation

Under the State laws, the Contractor shall not be:

- (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district;
- (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or
- (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

## Article IV

### Performance Provisions

Provider agrees to accept as payment in full, compensation from CDC in accordance with Article VI, Rate of Compensation for services as outlined in Article V, Scope of Services and Provisions for Prior Authorization, of this contract. CDC agrees to render payment for all services when provided in accordance with prior authorization provisions as set forth in Article V, Part B, and in accordance with the terms and conditions of this contract. Except for emergency services, CDC shall not render payment for services that have not been prior authorized by CDC or that exceed essential services as defined in CCR, Title 15, Division 3, Chapter 1, Article 8, et seq. CDC shall not render payment for those services referenced under Article V, Part C, Exclusion and Limitations, unless prior approval of the Health Care Review Committee has been granted.

#### A. Standards of Obligation

Provider recognizes that the CDC acts in a fiduciary capacity to the State of California and that this fiduciary duty extends to the provision and management of medical health care services, mental health care services, and dental services for the inmates of the State of California. To assist CDC in its exercise of this duty, Provider shall provide a high quality of services, consistent with the terms and conditions under this contract and consistent with established and commonly accepted standards and principles of medical practice. Nothing in this contract shall supersede the common law rules for the interpretation of established and commonly accepted standards and principles of medical practice.

#### B. Duly Organized

Provider is duly organized, qualified and validly existing and in good standing under the laws of this State and in all other jurisdictions where Provider is conducting business. Provider has all requisite power and authority to own and operate its properties and to carry on its business as and where now conducted and to enter into and perform its obligations under this contract.

#### C. Authorizations

Provider has completed, obtained and performed all registration, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts under this contract.

#### D. Provider Licensing

Provider has duly obtained and shall continue to maintain all material licenses, permits, consents and approval required by State and federal regulatory authorities to conduct business in this State.

E. Provider Personnel Licensing, Certification, and Registration

Provider agrees that all personnel responsible for discharging Provider's duties and obligations under this contract are individuals qualified to perform the various functions under this contract, as defined by applicable statutes and regulations related to their scope of health care practice. Provider agrees that all medical and professional staff and contracted subcontractors are duly licensed, certified and/or registered as required by the laws of this State and that no restrictions exist on said licensure, certification and/or registration. Provider agrees to routinely monitor its medical and professional staff's licenses, certifications and/or registrations to ensure that they are current and that such medical and professional staff have no State of California licensing, certification and/or registration restrictions. Provider shall ensure that all Provider's subcontractors discharging Provider's duties and obligations under this contract are licensed, certified, and registered individuals qualified to perform the various functions under this contract.

F. Insurance Requirements

**For all companies and/or businesses**, the Contractor hereby represents and warrants that the contractor is currently and shall for the duration of this contract be insured against:

**Commercial General Liability** – Contractor agrees to carry a minimum of \$1,000,000 per occurrence for bodily injury and property damage liability combined. The certificate of insurance must include the following provisions:

**The State of California, its officers, agents, employees, and servants are hereby named as additional insured but only with respect to work performed for the State of California.**

**The insurer will not cancel the insured's coverage without 30 days prior written notice to the State. The California Department of Corrections must be named as the "Certificate Holder" and list the following:**

**State of California  
California Department of Corrections  
Office of Contract Services  
P.O. Box 942883  
Sacramento, Ca 942883-0001**

**Professional Liability** – Provider agrees to carry a minimum coverage of \$1,000,000 per claim up to an annual aggregate of \$3,000,000 for bodily injury and property damage liability combined.

Such coverage(s) as referenced, shall be a condition of the CDC's obligation to pay for services provided under this contract. Prior to approval of this contract and before performing any work, Provider shall furnish to the State evidence of valid coverage. The following shall be considered evidence of coverage: a certificate of insurance, a "true and certified" copy of the policy, or any other proof of coverage issued by Provider's professional liability insurance carrier or proof of self-insurance. Binders are not acceptable as evidence of coverage per California Insurance Code, Section 382.5.

Providing evidence of coverage to the State does not convey any rights or privileges to CDC. It does, however, serve to provide the State with proof that Provider is insured up to the required minimums, as required by the State. By signing this contract, Provider certifies that the professional liability insurance carrier has knowledge of Provider's extension of services to CDC inmates. Such action conveys no coverage to the State under Provider's policy nor does it insure any State employee or insure any premises owned, leased, or otherwise used by or under the control of the State with respect to coverage.

Provider agrees that the professional liability insurance herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires or is canceled at any time during the term of this contract, Provider agrees to give, at least thirty (30) days prior notice to CDC before said expiration date or immediate notice of cancellation. Evidence of coverage as provided for herein shall not be for less than the remainder of the term of the contract or for a period of not less than one year. CDC and Department of General Services (DGS) reserve the right to verify the Provider's evidence of coverage; evidence of coverage is subject to the approval of the DGS. In the event the Provider fails to keep in effect at all times insurance coverage as herein provided, the State reserves the right to terminate this contract and seek any other remedies afforded by the laws of this State.

G. Workers' Compensation Insurance

By signing this contract, Provider hereby warrants that it carries workers' compensation insurance for all of its employees who will be engaged in the performance of this contract.

Provider also agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all Provider's Workers' Compensation claims and losses by Provider, its officers, agents and employees related to the performance of this contract.

H. Minimum Wage

Provider agrees to pay its employees wages not less than current California minimum wage, in accordance with Section 1182.11 of the California Labor Code.

I. Employee Taxes

Provider shall be responsible for withholding all applicable Provider's employee taxes.

J. Bankruptcy

If Provider becomes subject to any case or proceeding under any bankruptcy, reorganization, insolvency, or moratorium law, Provider shall pay to CDC on demand all attorneys' fees, costs, and expenses which CDC may incur to obtain relief from any provision of such law which delays or otherwise impairs CDC's exercise of any right or remedy under this contract.

K. Reporting Accuracy

Provider guarantees that all reports, documents, instruments, papers, data, information and forms of evidence delivered to CDC with respect to this contract are accurate and correct, and complete insofar as completeness may be necessary to give CDC true and accurate knowledge of the subject matter thereof, and do not contain any misrepresentations or omissions.

L. Accounting Records

Provider shall maintain adequate books, accounts and records, and prepare all financial statements in accordance with standard accounting principles, and in compliance with the regulations of any governmental or regulatory authority having jurisdiction over Provider, and permit employees or agents of CDC at such reasonable times as CDC may request to inspect Provider's facilities, and to examine, audit and make copies and memoranda of Provider's CDC related books, accounts and records connected with the performance of this contract.

M. Drug-Free Workplace Certification

Provider agrees and certifies, under penalty of perjury under the laws of this State, that Provider shall comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350, et seq.) and shall provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying Provider's employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code, Section 8355(a).
2. Establish a Drug-Free Awareness Program to inform Provider's employees about:
  - a. The dangers of drug abuse in the workplace
  - b. The person's or organization's policy of maintaining a drug-free workplace
  - c. Any available counseling, rehabilitation and employee assistance programs and
  - d. Penalties that may be imposed upon employees for drug abuse violations
3. Every Provider's employee who works under the proposed contract will:
  - a. Receive a copy of Provider's drug-free policy statement
  - b. Agree to abide by the terms of Provider's statement as a condition of employment on this contract



Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both and Provider may be ineligible for award of any future State contracts if CDC determines that any of the following has occurred: (1) the Provider has made false certification; or (2) violates the certification by failing to carry out the requirements as noted above.

N. National Labor Relations Board

Provider, by signing this contract, does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal Court has been issued against Provider within the immediately preceding two-year period because of Provider's failure to comply with an order of a Federal Court which ordered Provider to comply with an order of the National Labor Relations Board (Public Contract Code, Section 10296).

O. Reportable Payment Identification and Classification Requirements

When applicable, Provider shall comply with State and Federal Reportable Payment Identification and Classification Requirements by fully completing the "Payee Data Record," Provider understands and agrees that if they do not fully complete the Payee

Data Record, State shall reduce the total contract amount by thirty-one percent (31%) for federal backup withholding and seven percent (7%) for State income tax withholding.

P. Notice of Changes and Enforcement Actions

Provider shall promptly and in any case within five (5) working days notify CDC in writing:

1. If any of the representations and warranties set forth in this contract cease to be true at any time during the term of this contract
2. Of any enforcement action as described in Article VIII of this contract
3. Of any change in control of Provider's business or corporate practices that materially affect the administration of this contract and/or
4. Of any other change in Provider's business, partnership or corporate organization which materially affects or alters the intent or performance provisions set forth in this contract

Q. Nondiscrimination

During the performance of this contract, Provider and its subcontractors shall not unlawfully discriminate harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Provider and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Provider and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the

applicable regulations promulgated thereunder (CCR, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in CCR, Title 2, Chapter 5, Division 4 are incorporated into this contract by reference as if fully set forth herein. Provider and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Provider shall include the nondiscrimination and compliance provisions of this contract in all subcontracts to perform work under this contract.

R. Disability Placement

By signing this contract, Contractor assures the State it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

S. Statement of Compliance

Provider certifies, under penalty of perjury under the laws of this State, that contracts over \$5,000.00, unless specifically exempted, are in compliance with Government Code, Section 12900 et. seq. and CCR, Title 2, Division 4, Chapter 5 in matters relating to the development, implementation and maintenance of a nondiscrimination program.

T. Physician Ownership and Referral Act of 1993

In accordance with the Physician Ownership and Referral Act of 1993, Provider shall not refer any inmate/patient to any health care provider or health-related facility if the Provider has a financial interest with that health care provider or health-related facility.

Provider may make a referral to or request consultation from a sole source health care provider or health-related facility in which financial interest is held if the Provider is located where there is no alternative provider of service within either 25 miles or 40 minutes traveling time. The Provider shall disclose, in writing, to CDC the Provider's financial interest at the time of referral or request for consultation. In no event, will this prohibit inmates/patients from receiving emergency health care services.

U. Bloodborne Pathogens

Provider shall adhere to CAL-OSHA's regulations and guidelines pertaining to bloodborne pathogens.

V. Tuberculosis (TB) Testing

Prior to the performance of contracted duties, Contractors and any employees and/or sub-contractors who are assigned to work with inmates on a regular basis shall be required to be examined, tested, or medically evaluated for TB in an infectious or contagious stage, and once a year thereafter or more often as directed by CDC. Regular basis is defined as having contact with inmates in confined quarters more than once a week.

Contractors and any employees and/or sub-contractors shall provide to the CDC, at no cost to the state, a CDC 7336 Employee Initial/Annual Tuberculosis (TB) Skin Test, and a CDC 7354 TB Infectious Free Staff Certification, prior to assuming any contract duties, and annually thereafter, as evidence that the Contractor and any employees and or sub-contractors have been examined and found free of TB in an infectious stage. The CDC 7336 and the CDC 7354 will be provided by the institution upon Contractor's request.

W. Quality Assurance

Provider agrees to maintain an active, systematic process based on objective and measurable criteria by which to monitor and evaluate the quality and appropriateness of inmate/patient health care services and to provide assurances that those services rendered were cost effective, medically necessary, and delivered with the assurance of quality.

Provider agrees to maintain a mechanism for reporting the results of these activities to CDC. Provider shall, as requested, provide CDC with inmate/patient data needed for the purposes of updating, enhancing or modifying the CDC Medical Standards of Care health care policy. Inmate/patient data requested shall include patient complications, patient mortality, instability at discharge/transfer, post-discharge complication rate, post-discharge mortality rate, and readmission rate. Additional data may be provided to CDC upon request when endorsed in writing and agreed upon by both parties.

X. Quality Assurance Audits and Reviews

CDC reserves the right to make periodic quality of care audits and reviews for health care services rendered pursuant to this contract. The purpose of these audits or reviews is to verify Provider's compliance with the performance provisions, scope of service, terms and conditions selected for review in this contract, and compliance with State laws and regulations and/or CDC rules and guidelines. Provider does not waive its rights under Evidence Code Section 1157 et seq.

1. Provider shall furnish, upon request by CDC, any inmate/patient records maintained by Provider or its medical and/or professional staff or any authorized officer, agent or employee of either, including, but not limited to, x-rays, lab results, and any medical committee reviews and recommendations related to a CDC inmate/patient.
2. Findings shall be submitted to Provider and CDC will establish a review date, at which time, expectations and time frames for correcting any deficiencies will be established. Failure by Provider to correct deficiencies, within agreed upon time frames, shall be reason for termination, in accordance with Article VIII, Part B.

Y. Utilization Management (UM)

CDC reserves the right to inspect, monitor, and perform utilization reviews prospectively, concurrently, or retrospectively, regarding the courses of medical treatment or hospitalization provided to CDC's inmate/patients when performed by

Provider and/or Provider's subcontract providers. CDC may delegate this right to another State Agency or party. Such reviews shall be undertaken to determine whether the course of treatment or services were prior authorized, medically necessary and performed in accordance with CDC's Medical Standards of Care Policy and Medical Services of Inmates Program. Provider agrees that Provider's discharge protocols may not be applicable to all CDC cases and that discharge determinations shall be with the concurrence of the CDC attending physician.

Provider acknowledges and agrees to inform its subcontract providers that UM decisions shall not be deemed a substitute for the independent judgment of the treating physician or preclude treatment but shall be cause for denial of compensation for such treatment or hospitalization found to be inappropriate, whether identified through prospective, concurrent, or retrospective utilization review.

Provider acknowledges and agrees that concurrent utilization management review shall not operate to prevent or delay the delivery of emergency medical treatment.

Z. Subcontractor/Consultant Information

Contractors are required to identify all subcontractors and consultants who will perform labor or render services in the performance of this contract. Additionally, the Contractor shall notify the Department of Corrections, Contract Services Branch, in writing, within 10 (ten) working days, of any changes to the subcontractor and/or consultant information.

## Article V

### Scope of Services and Provisions for Prior Authorization

#### A. Scope of Services

Provider agrees to render only medically necessary services onsite and/or in the community to any inmate/patient referred for his/her specialty services/treatments and assumes full responsibility for the provisions of these services. Medical services provided must be based on medical necessity and effective to protect life, prevent significant illness or disability, or alleviate severe pain that significantly disables the patient from reasonable independent function.

Provider shall ensure that all ordered medical specialty services and proposed surgical procedures, as prior authorized by the Health Care Manager or his/her designated physician representative, shall be scheduled consistent with the severity of the medical need. Once scheduled, services shall be delivered at the time scheduled, unless unavoidable circumstances occur. In addition, provider shall prescribe only those medications which are on CDC's formulary unless the Health Care Manager grants prior authorization for deviation.

Provider acknowledges that CDC is not obligated to provide or pay for health care services or treatment beyond those which are essential to prevent death, permanent or severe disability. If health care service or treatment is non-essential or could safely be deferred until the inmate is released from custody, when he/she is able to arrange for services for him/herself, the CDC shall defer services. Prior authorization must be obtained and documented in the inmate's health record for those excluded health care services or treatments listed in CDC's Standards of Care.

Provider shall give one (1) week written notice to the Health Care Manager, prior to cancellation of scheduled clinics if for reasons other than illness.

Provider shall give at least twenty-four (24) hours notice prior to bringing into the institution any medical/surgical equipment that has not specifically been authorized by CDC Custody Services.

Provider agrees that all expenses associated with travel to and from the institution and all training expenses, such as Continuing Medical Education shall be at the expense of the Provider.

#### B. Prior Authorization

##### 1. Prior Authorization for Treatment

Provider agrees that, excluding emergency care services, prior authorization must be obtained in writing from the respective CDC institution's Health Care Manager or his/her designated representative, in accordance with CDC's Utilization

Management Plan, and must be documented in the inmate/patient's medical record in all cases of essential services before considering any non-emergency treatment, or any inpatient/outpatient consultations by specialty physicians or diagnostic procedures not specifically stated on a Prior Authorization Form. Payment shall be denied if CDC determines that inpatient/outpatient services or inpatient/outpatient procedures performed were not medically necessary, or did not have prior authorization.

2. Prior Authorization for Transportation/Transfers

Provider agrees that CDC retains full authority to determine the manner in which an inmate/patient is transported to the CDC institutions or transferred to other health care facilities, after the course of treatment or therapy has been implemented or completed.

Provider shall not transfer an inmate/patient to any facility or provider without prior written authorization from the appropriate CDC institution's Health Care Manager or his/her designated representative.

3. Experimental and Investigational Drugs and Procedures

Provider shall not perform on or administer to any inmate/patient any experimental or investigational treatment, therapy, procedure or drug. Such treatment, unless it is related to specific California legislative provisions, is prohibited under Penal Code, Section 3502, and thus, must be prior authorized. Provider agrees to perform or administer only those medical services which are recognized as being in accord with generally accepted professional medical standards, or as being safe and effective for use in the treatment of an illness, injury or condition at issue.

C. Exclusions and Limitations

Provider agrees that no health care service or treatment shall be provided for those conditions specifically listed in CDC's Medical Standards of Care Policy (CCR, Title 15, Article 8, Section 3350.1). A list of exclusions will be provided by the Health Care Manager on request. Provider agrees that any non-essential or excluded health care service or treatment not prior approved and not deemed medically necessary shall not be conducted at CDC's expense.

Provider may request individual case exceptions for excluded or limited health care service or treatment by seeking the recommendation of the Health Care Manager or the institution's Medical Authorization Review Committee, and receiving prior approval from the Health Care Review Committee.

Provider agrees that any excluded health care service or treatment needed for prior existing conditions shall be provided only in the event that the condition has become aggravated in such a manner that it poses a significant threat to the inmate's current health and if not treated would result in morbidity and/or mortality. Provider acknowledges that the appeal must be recognized as medically necessary by the

Health Care Manager or the institution's Medical Authorization Review and prior approval must be obtained from the Health Care Review Committee.

The California Standard Nomenclature for Physicians' Services (Based on 1974 California Medical Association (CMA) procedures codes and nomenclature); the CPT, Physicians' Current Procedural Terminology book; the Procedure Code Conversion Table (CPT-4/CSN and the Manual of Criteria for Medical Authorization (which has been adopted from the Medi-Cal program) shall be used as a reference when prior authorization is granted. In the event CDC adopts another objective standard for UM review to screen inmate/patient health care regarding prior authorization, inpatient admissions, and other types of UM review, CDC institution shall notify the Provider of the new standard no less than thirty (30) days before the new standard is implemented.

D. Department of Corrections Contact Information

Should questions or problems arise during the term of this contract, the contractor should contact the following offices:

**Billing/Payment Issues:**

- Bakersfield Regional Accounting Office  
Phone Number: (661) 334-3723  
FAX Number: (661) 334-3720

**Scope of Service/Performance Issues:**

- Contract Liaison, Medical Unit  
Phone Number: (661) 729-2000 Ext. 7811  
FAX Number: (661) 729-6952

**General Contract Issues:**

- Office of Contracts Services  
Phone Number: (916) 323-8718  
FAX Number: (916) 322-1098

Article VI

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Rate of Compensation

CDC agrees to render payment for completed services as set forth in Article V, Part A, and provided in accordance with the prior authorization provisions of Article V, Part B, in accordance with the terms and conditions of this contract. Except for emergency care, CDC shall not render payment for services that have not been prior authorized in accordance with Article V of this agreement and/or exceed the services as defined in Title 15, Division 3, Article 8, Section 3350, et seq.

CDC is exempt from publicly disclosing the rates of payment contained in CDC health care contracts for four (4) years after the date of execution of a contract or a contract amendment per Government Code Section 6254.14. CDC and Provider agree to protect the confidentiality of the rates contained in this contract or contract amendment for four (4) years after the date of execution.

A. RATE OF COMPENSATION

ALL RATE INFORMATION WILL BE RECOGNIZED AS ATTACHMENT A & B  
AND INCORPORATED INTO THE CONTRACT.



## Article VII

### Invoicing and Payment Procedures

#### A. Submission of Invoices

For services satisfactorily rendered and upon receipt and approval of the invoices, the CDC agrees to compensate the Provider for actual expenditures incurred in accordance with the rates as specified in Article VI, Rate of Compensation.

Invoices shall be sent to:

Department of Corrections  
Bakersfield Regional Accounting Office  
**For: California State Prison – Los Angeles (LAC)**  
Attention: Accounts Payable  
P.O. Box 12050  
Bakersfield, CA 93309

Invoices submitted for payment shall be in triplicate and shall itemize each service provided. Invoices submitted for payment must be legible and accurate. Invoices that have been altered or are inaccurate and do not provide the above information, will not be accepted and will be returned to the Provider for correction.

Invoices submitted for payment shall include:

1. Provider name, address and contract number
2. CDC institution
3. Copy of Prior Authorization signed by CDC Health Care Manager or his/her designated representative
4. Inmate/patient name and CDC number;
5. Date of services
6. Type of service
7. CPT 4 Procedure Codes and
8. ICD-9-CM Diagnosis Codes

In the event services are provided outside the institution at a community health facility a copy of the pertinent inmate/patient record file must accompany the invoice.

CDC shall render payment in accordance with and within the time specified in Government Code Section 927 et seq.

#### B. Reimbursement for the Paroled

Provider understands and agrees that CDC does not have statutory authority to render payment for services provided to parolees (CCR, Title 15, Section 3356). In the event that an inmate reaches his/her parole date while in the care of the Provider, the appropriate CDC Health Care Manager or his/her designated physician representative

shall notify, no later than ten (10) working days before the date of parole, the parolee's appropriate CDC Parole Region and the inmate/patient's upcoming parole date and medical status. The CMO or Health Care Manager shall make a good faith effort to notify the Provider if an inmate/patient's parole date is expected to occur while the inmate/patient is under the Provider's care.

The appropriate Parole Region will notify the Agent of Record who will assist in providing for appropriate follow-up care to include:

1. Transfer to a community health facility in the geographic vicinity of the parole region; or
2. Continued care in the existing community health facility with arrangements for continued payment by the county of residence and/or enrollment in the Medi-Cal Program; or
3. Transfer to outpatient care in the area of the parole release.

Provider agrees that under no circumstances shall the parole date prevent an inmate from receiving emergency medical services or result in being discharged prematurely.

## Article VIII

### Termination and Related Provisions

#### A. Termination of Contract without Cause

Either party may terminate this contract without cause by giving not less than sixty (60) days written notice to the other party.

#### B. Termination of Contract for Cause

##### 1. Immediate Termination

CDC may immediately terminate this contract under circumstances such as the following, or other such circumstances as would materially prejudice the right of inmates under this contract, by giving at least ten (10) working days advance notice.

- a. If CDC determines, based on reliable and factual information, that management practices adopted by Provider or the current financial condition of Provider interfere with the delivery of services or reduce the quality of such services; or,
- b. If CDC determines, based on reliable and factual information, there is a substantial probability that Provider is unable to render medical specialty services to inmates; or,
- c. If CDC determines, based on reliable and factual information, that any State or federal regulatory agency has taken any enforcement action (administrative or otherwise) against Provider, which action gives rise to appeal rights and relates to plan administration, financial transactions or medical, dental, or mental health care delivery; or,
- d. If CDC determines based on reliable and factual information that Provider has consistently failed to apply CDC's Medical Standards of Care as directed by the CDC Health Care Manager or his/her designated representative.
- e. If CDC determines, based on reliable and factual information, that Provider has failed to meet the terms, conditions and/or responsibilities of the contract, the contract can be immediately terminated for cause. In this instance, the contract termination shall be effective as of the date indicated on the State's notification to the Provider.

##### 2. Termination for Breach: Cure

In the event of a material breach of this contract by either party, the party alleging such breach shall give written notice thereof to the other party. If the party in breach fails to cure such breach within thirty (30) days of receipt of such notice; or, if such breach cannot reasonably be cured within thirty (30) days and such party has not commenced to cure within thirty (30) days, then the non-breaching party may terminate this contract upon sixty (60) days written notice.

A failure to exercise the right to terminate coverage for material breach on one occasion shall not waive the right to do so on another occasion.

C. Termination for Insolvency

CDC may terminate this contract immediately if Provider files any federal bankruptcy action or state receivership action, whether voluntary or involuntary; or if, based on reliable information, the CDC determines there is a substantial probability that Provider will be financially unable to continue performance under this contract.

D. Obligations Upon Termination

From and after the effective date of termination of this contract, Provider shall not be entitled to compensation for further services hereunder, except as expressly set forth in this Article, Part E, Alternative Arrangements Upon Termination.

Provider shall forthwith upon such termination, but in no event later than thirty (30) days following such termination:

1. Deliver to CDC a full accounting of the status of claims; and
2. Deliver to CDC all property and documents of CDC then in the custody of Provider.

Despite termination, Provider or its solvent entity or administrator or receiver shall report to CDC on demand an update of the information in 1 and 2 above and any other relevant information.

The termination of this contract shall not relieve Provider of liability under the indemnification provisions of Article II, Preamble.

The termination of this contract shall not relieve Provider of those duties under the Alternative Arrangements Upon Termination provision of this Article.

Upon the termination of this contract for cause, all damages, losses and costs of CDC which flow from the breach shall be deducted from any sums due Provider hereunder and the balance, if any, shall be paid to Provider.

E. Alternative Arrangements Upon Termination

Upon cancellation of this contract, Provider agrees to assist CDC in securing alternative arrangements for the provision of care from another CDC contracted facility or health care provider for those inmates receiving inpatient care at the time of termination. Provider further agrees to continue to provide adequate levels of health care services to inmates until alternative arrangements can be obtained. The rate of pay shall be consistent with the terms of this contract.

## Article IX

### Appeal Procedure

#### A. Contract Appeal Procedure

CDC has established and shall maintain an appeal procedure in accordance with CDC Department Operations Manual, Section 22040.16. Provider agrees that disputes arising under the terms of this contract shall be resolved in accordance with the following:

##### 1. Verbal Appeal

Provider and CDC's Chief, Health Care Services Division, shall first attempt to resolve the problem by informal discussion. Provider agrees that CDC's Health Care Services Division shall be used as a resource in solving potential disputes.

##### 2. Informal Appeal

If the issue is not resolved at the verbal appeal level, Provider shall file, within thirty (30) working days, an informal written appeal, specifying: the issue(s) of dispute, legal authority or other basis for Provider's position, supporting evidence, and remedy sought, with the CDC Chief, Contract Services Branch, and provide a photocopy to the CDC Chief, Health Care Services Division. The CDC Chief, Contract Services Branch, shall make a determination on the issue and respond in writing, within thirty (30) working days of receipt of the informal appeal, indicating the decision reached.

##### 3. Formal Appeal

Should Provider disagree with the informal appeal decision, Provider shall submit, within ten (10) working days after Provider's receipt of the decision of the informal appeal, to the CDC Deputy Director, Administrative Services Division, written notification indicating why the informal appeal decision is unacceptable, along with a copy of the original statement of dispute and a copy of CDC's response. The CDC Deputy Director, Administrative Services Division, or his/her designee may meet with Provider to review the issues within twenty (20) working days of the receipt of Provider's notification and shall provide Provider with written notification of the decision within forty-five (45) working days from the receipt of the formal appeal.

#### B. Utilization Management Appeals

Should the Provider disagree with the retrospective Utilization Management review of an invoice/service that results in a denial or disallowance of a billed service, the Provider agrees to pursue resolution by sequentially following the steps described below:

1. Informal Appeal

Provider shall informally appeal a UM decision to the institution's Health Care Manager or his/her physician designee who rendered the decision in conjunction with the Utilization Management Nurse.

2. First Level Formal Appeal

If the Provider disagrees with the UM decision after an informal appeal, a formal first level appeal shall be submitted to the Medical Authorization Review (MAR) Committee at the appropriate CDC institution. Provider must appeal to the MAR Committee, in writing, within 30 days of receipt of MAR's notice to uphold the denial or deferral of service.

3. Second Level Formal Appeal

Providers may request a second level formal appeal if dissatisfied with the result of the first level appeal. Provider shall submit second level appeals within forty-five (45) days, in writing, to CDC's Health Care Review Committee at the address below. The Health Care Review Committee will evaluate the appeal and respond within forty-five (45) days.

Health Care Review Committee  
Health Care Services Division  
P.O. Box 942883  
Sacramento, CA 94283-0001  
Attention: Assistant Deputy Director  
Field Clinical Operations

Provider shall pursue any further remedy in accordance with Binding Arbitration, Article IX, Part C.

C. Binding Arbitration

Any dispute arising from an alleged violation of a legal duty incident to this contract shall be submitted to binding arbitration. By entering into this contract, the parties are waving their constitutional right to have any such suit decided in a court of law or before a jury and are instead accepting the use of binding arbitration.

Any such arbitration shall be in compliance with the California Code of Civil Procedure, Section 1280 et seq.

**ATTACHMENT A**  
**Rate of Compensation**

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**Compensation for Outpatient Surgeries:**

Outpatient Surgeries, authorized by the Health Program manager or her/his designee,

1. General Surgery – Outpatient Services
2. Speciality Surgeries, such as  
Orthopedi, ENT, Urology

Follow up Day (FUD) criteria shall be in accordance with the Relative Value for Physicians, Surgery Value Guidelines, Global values, subsection 3 (Attachment B).

**Compensation for Individual Outpatient Procedures:**

CDC agrees to compensate the provider for services rendered at the Institution or in the community in accordance with County of Los Angeles, Department of Health Services, Board Approved Rates. New Rates shall be agreed upon by Institution and processed through an amendment.

A fifteen percent (15 %) discount shall be applied to Department of Health Services, Board Approved Rates, for all outpatient consultation services for evaluation and management codes only as listed below. Provider's established rates shall be held on file at the Institution.

CPT CODES	DESCRIPTION	RATE
99201	New patient – Brief	
99202	New patient – Limited	
99203	New patient – Intermediate	
99204	New patient – Extended	
99205	Office/Outpatient Visit, New	
99215	Office/Outpatient Visit, EST	
99217	Observation care discharge	
99218	Observation care	
99219	Observation care	
99220	Observation care	
99241	Office Consultation (Level 1)	
99242	Office Consultation (Level 2)	
99243	Office Consultation (Level 3)	
99244	Office Consultation (Level 4)	
99245	Office Consultation (Level 5)	

ATTACHMENT B

**CONFIDENTIAL**

CALIFORNIA DEPARTMENT OF CORRECTIONS MEDICAL SERVICE PROVIDER  
Compensation Schedule  
Based on Relative Values for Physicians (RVP)

Sector 3

ASP, CCI, CMC, CSP-COR, CSA (SATF), CSP-LAC, NKSP, PVSP, WSP

Conversion factors for service rendered inside or outside of Department Facilities.

Evaluation and Management	
Anesthesia	
Medicine	
Surgery	
Radiology *	
(Professional Component Only)	
Pathology	

\* Use unit values listed under "PROF" in Radiology section of the RVP